

# Procurement

## MISSION STATEMENT

The mission of the Office of Procurement is to acquire all goods, services, and construction necessary to carry out the functions of County government in the most cost-effective and timely manner consistent with required specifications and established procurement policies.

## BUDGET OVERVIEW

The total recommended FY07 Operating Budget for the Office of Procurement is \$2,929,770, an increase of \$197,710 or 7.2 percent from the FY06 Approved Budget of \$2,732,060. Personnel Costs comprise 92.1 percent of the budget for 31 full-time positions for 29.9 workyears. Operating Expenses account for the remaining 7.9 percent of the FY07 budget.

Not included in the above recommendation is a total of \$87,830 and 0.9 workyear that is charged to: Fleet Management Services, Motor Pool Internal Service Fund (\$26,350, 0.3 WY); Bethesda Parking District (\$4,390); Silver Spring Parking District (\$4,390); Solid Waste Disposal (\$43,920, 0.5 WY); and Mass Transit (\$8,780, 0.1 WY). The funding and workyears for these items are included in the receiving departments' budgets.

## HIGHLIGHTS

- ❖ **Enhance Part-time Program Manager II to Full-time Program Manager II for Living Wage Compliance.**
- ❖ **Increase clerical support for the Minority, Female, Disabled (MFD)-Owned Business Purchasing Program.**
- ❖ **Completed the installation of the Budget Process Management System. It is anticipated that this will be a fully functioning system in FY07.**
- ❖ **Productivity Enhancements:**

*Implemented an automated in-house process for archiving that will reduce errors in researching files, records, and documents that have been placed outside of the office.*

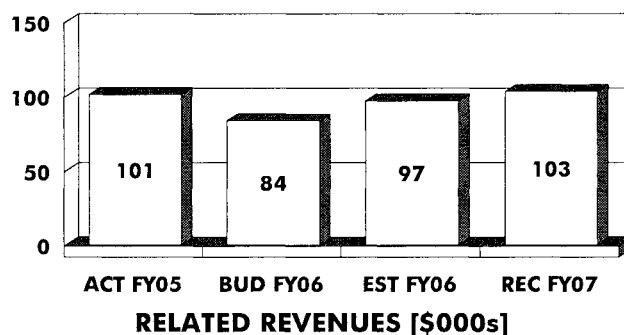
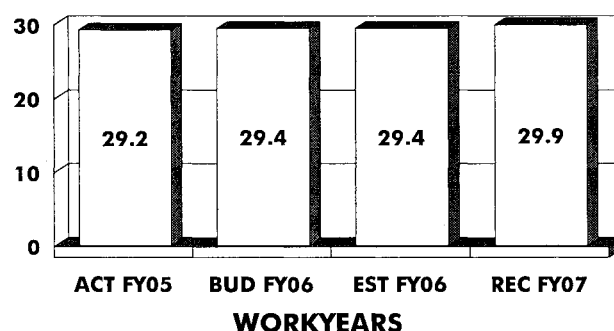
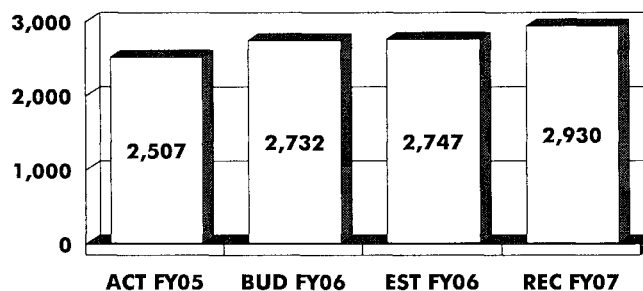
## PROGRAM CONTACTS

Contact Marsha Watkins Thomas of the Office of Procurement at 240.777.9932 or Anita A. Aryeetey of the Office of Management and Budget at 240.777.2784 for more information regarding this department's operating budget.

## Program Summary

	Expenditures	WYs
Procurement of Goods and Services	2,064,710	22.9
Minority, Female, and Disabled Persons Procurement	198,430	2.5
Automation and Reports Management	132,510	1.5
Administration	534,120	3.0
<b>Totals</b>	<b>2,929,770</b>	<b>29.9</b>

## Trends



## PROGRAM DESCRIPTIONS

### Procurement of Goods and Services

The purpose of this program is to purchase goods, services, and construction required by County departments in the most timely and cost-effective manner possible. Program staff assists departments in the development of specific procurements to maintain a competitive and fair procurement process and to ensure that procurement requests are processed according to the County Code and the Procurement Regulations. Program staff also help vendors understand the County's procurement process and procedures.

Assistance with contracts is provided to coordinate contract administration through guidance, assistance, and training of department contract administrators. Procurement Specialists develop contract administration procedures and research, review, and recommend revisions to County procurement policies and regulations to streamline the procurement process. In addition, testimony and other evidence regarding claims and contract disputes with contractors are reviewed to resolve issues.

#### FY07 Recommended Changes

- ☐ *Enhance a part-time Program Manager II to full-time for Living Wage Compliance*

	Expenditures	WYs
<b>FY06 Approved</b>	<b>1,965,110</b>	<b>22.9</b>
<b>FY07 CE Recommended</b>	<b>2,064,710</b>	<b>22.9</b>

### Minority, Female, and Disabled Persons Procurement

The objective of the Minority, Female, and Disabled persons (MFD) program is to meet the County's annual goal of awarding a designated percentage of the total dollar value of negotiated contracts over \$65,000 to Maryland Department of Transportation certified minority, female, or disabled-owned businesses by procurement source. To meet the objective, the program identifies MFD firms, encourages and coordinates their participation in the procurement process through community outreach, and monitors contracts subject to MFD participation to ensure compliance by prime contractors.

#### FY07 Recommended Changes

- ☐ *Increase clerical support for the Minority, Female, and Disabled (MFD)-Owned Business Purchasing Program.*

	Expenditures	WYs
<b>FY06 Approved</b>	<b>168,010</b>	<b>2.0</b>
<b>FY07 CE Recommended</b>	<b>198,430</b>	<b>2.5</b>

### Automation and Reports Management

The purpose of the Automation and Reports Management program is to manage and coordinate the design, development, integration, and training for the County's automated procurement system (ADPICS). ADPICS requires procurement personnel to create, update, and monitor vendor databases.

The automated management system also allows departments to initiate and monitor purchases, contracts, grants, violations, emergencies, public information requests, and department

surplus. The program also provides oversight, upkeep, and evaluation of the Internet, fax, and imaging systems.

The program includes ongoing development and management of RAPID (Re-engineered Automated Procurement Information Delivery). RAPID has significantly reduced mailing, printing, and human resource costs. Additional features of RAPID are its ability to advertise solicitations from other County agencies and other counties and links to COG, Maryland counties, and selected states. Subscribers are able to review procurement opportunities for all agencies that link with RAPID 7 days a week, 24 hours a day. Subscribers are also provided with training and support on how to use RAPID. Additionally, this division maintains e-procurement activities such as on-line solicitation purchasing.

#### FY07 Recommended Changes

	Expenditures	WYs
<b>FY06 Approved</b>	<b>151,050</b>	<b>1.5</b>
<b>FY07 CE Recommended</b>	<b>132,510</b>	<b>1.5</b>

### Administration

The Administration program provides for departmental direction, oversight, and support for the Contract Review Committee (CRC), budget preparation and monitoring, and cost and price analysis. The program coordinates cooperative procurements with the Metropolitan Washington Council of Governments (COG) and other government agencies; works closely with the Interagency Procurement Coordinating Committee (IPCC) and the local and national chapters of the National Institute of Governmental Purchasing (NIGP); and improves skill levels and buying practices by training and recertifying Procurement staff toward qualification as a Certified Public Purchasing Officer (CPPO) or a Certified Professional Public Buyer (CPPB). Administration activities include expenditure control, revenue collection, budget preparation, personnel activities, training, and development of recommendations and analyses regarding procurement matters for the CRC. The Director serves as one of three voting members of the CRC and is directly involved in all major procurements.

#### FY07 Recommended Changes

	Expenditures	WYs
<b>FY06 Approved</b>	<b>447,890</b>	<b>3.0</b>
<b>FY07 CE Recommended</b>	<b>534,120</b>	<b>3.0</b>

## BUDGET SUMMARY

	Actual FY05	Budget FY06	Estimated FY06	Recommended FY07	% Chg Bud/Rec
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	1,715,887	1,932,500	1,947,330	2,054,280	6.3%
Employee Benefits	505,073	599,950	599,950	642,740	7.1%
<b>County General Fund Personnel Costs</b>	<b>2,220,960</b>	<b>2,532,450</b>	<b>2,547,280</b>	<b>2,697,020</b>	<b>6.5%</b>
Operating Expenses	271,038	199,610	199,610	232,750	16.6%
Capital Outlay	15,289	0	0	0	—
<b>County General Fund Expenditures</b>	<b>2,507,287</b>	<b>2,732,060</b>	<b>2,746,890</b>	<b>2,929,770</b>	<b>7.2%</b>
<b>PERSONNEL</b>					
Full-Time	30	30	30	31	3.3%
Part-Time	1	1	1	0	—
Workyears	29.2	29.4	29.4	29.9	1.7%
<b>REVENUES</b>					
Information Requests	14	240	1,200	500	108.3%
Photocopying Fees	323	150	150	300	100.0%
Protest Fees: On-Line	0	1,000	1,000	1,000	—
Protest Fees	0	1,000	1,000	1,000	—
Solicitation Fee: Formal	48,335	22,850	22,850	22,850	—
Solicitation Fee: Formal On-Line	2,640	1,530	1,530	2,500	63.4%
Solicitation Fee: Non-Construction	9,015	10,410	10,410	5,000	-52.0%
Solicitation Fee: Non-Construction On-Line	0	2,320	2,700	3,000	29.3%
Vendor Registration Fee	40,790	29,700	36,000	40,000	34.7%
Vendor Registration Fee: On-Line	0	14,400	20,000	27,000	87.5%
<b>County General Fund Revenues</b>	<b>101,117</b>	<b>83,600</b>	<b>96,840</b>	<b>103,150</b>	<b>23.4%</b>

## FY07 RECOMMENDED CHANGES

	Expenditures	WYs
<b>COUNTY GENERAL FUND</b>		
<b>FY06 ORIGINAL APPROPRIATION</b>	<b>2,732,060</b>	<b>29.4</b>
<b>Other Adjustments (with no service impacts)</b>		
Increase Cost: FY07 Compensation [Administration]	112,650	0.0
Increase Cost: Part-time Program Manager II to Full-time Program Manager II for Living Wage Compliance [Procurement of Goods and Services]	41,580	0.5
Increase Cost: Minority, Female, Disabled (MFD) Owned Business Purchasing Program Clerical Support [Minority, Female, and Disabled Persons Procurement]	32,540	0.0
Increase Cost: Group Insurance Adjustment	32,080	0.0
Increase Cost: Retirement Adjustment	13,940	0.0
Increase Cost: Annualization of FY06 Operating Expenses [Administration]	2,220	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY06 [Administration]	-1,620	0.0
Decrease Cost: Annualization of FY06 Personnel Costs [Administration]	-35,680	0.0
<b>FY07 RECOMMENDED:</b>	<b>2,929,770</b>	<b>29.9</b>

## FUTURE FISCAL IMPACTS

Title	CE REC. FY07	FY08	FY09	(\$000's) FY10	FY11	FY12
This table is intended to present significant future fiscal impacts of the department's programs.						
<b>COUNTY GENERAL FUND</b>						
<b>Expenditures</b>						
<b>FY07 Recommended</b>	<b>2,930</b>	<b>2,930</b>	<b>2,930</b>	<b>2,930</b>	<b>2,930</b>	<b>2,930</b>
No inflation or compensation change is included in outyear projections.						
<b>Elimination of One-Time Items Recommended in FY07</b>	<b>0</b>	<b>-33</b>	<b>-33</b>	<b>-33</b>	<b>-33</b>	<b>-33</b>
Items recommended for one-time funding in FY07, including (One year contractual clerical support for MFD program), will be eliminated from the base in the outyears.						
<b>Labor Contracts</b>	<b>0</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>
These figures represent the annualization of FY07 increments, general wage adjustments, and associated benefits.						
<b>Subtotal Expenditures</b>	<b>2,930</b>	<b>2,930</b>	<b>2,930</b>	<b>2,930</b>	<b>2,930</b>	<b>2,930</b>